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OF STEVENS INSTITUTE OF TECHNOLOGY

EVIDENCE

BEFORE THE COMMITTEE ON CLAIMS OF
THE HOUSE OF REPRESENTATIVES

ON

H. R. 20338

FOR THE RELIEF OF STEVENS INSTITUTE OF
TECHNOLOGY OF HOBOKEN, N. J.

STATEMENT OF

ALEXANDER C. HUMPHREYS

President of the Stevens Institute of Technology

APRIL 6, 1910

COMMITTEE ON CLAIMS, HOUSE OF REPRESENTATIVES, UNITED STATES

SIXTY-FIRST CONGRESS, SECOND SESSION

GEORGE W. PRINCE, CHAIRMAN.

CHARLES Q. TIRRELL

WILLIAM H. GRAHAM

CHARLES A. LINDBERGH

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WASHINGTON

GOVERNMENT PRINTING OFFICE

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[H. R. 20338. Sixty-first Congress, second session.]

A BILL For the relief of the Stevens Institute of Technology, of Hoboken, New Jersey.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay to the trustees of the Stevens Institute of Technology, of Hoboken, New Jersey, out of any money in the Treasury not otherwise appropriated, the sum of forty-five thousand seven hundred and fifty dollars, with interest accruing thereon since January twenty-eighth, eighteen hundred and seventy, being the amount of collateral inheritance tax collected from the endowment fund left by the will of the founder of the said institution, Edwin A. Stevens, of Hoboken, New Jersey.

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Stevens Institute of Technology, Hoboken, N. J.

COMMITTEE ON CLAIMS,
HOUSE OF REPRESENTATIVES,
Wednesday, April 6, 1910.

Hon. George W. Prince (chairman) presiding.

The CHAIRMAN. Now, Mr. Tilson, you have here some cases that are before your subcommittee; you are chairman of it, and I wish you would take charge of the hearing.

Mr. TILSON. The first is the case of the Stevens Institute of Technology, H. R. 20338. The bill is introduced by Mr. Wiley, of New Jersey, and is for the repayment of \$45,750, with interest, to the Stevens Institute of Technology. It appears from this bill that this claim is for a tax collected by the United States from an endowment fund left by the will of Edwin A. Stevens to the Stevens Institute of Technology.

**STATEMENT OF MR. ALEXANDER C. HUMPHREYS, PRESIDENT
OF THE STEVENS INSTITUTE OF TECHNOLOGY AND ALSO
PRESIDENT OF THE BOARD OF TRUSTEES OF THE SAID IN-
STITUTE.**

Mr. HUMPHREYS. How do you wish me to proceed? Do you desire that I should make a statement of the facts as I see them?

Mr. TILSON. Just make your statement on the basis of which you think the United States should refund this money.

Mr. HUMPHREYS. A statement at length is already on file with your committee, the printed statement of 1905 and the printed statement of March 16, 1910, both of which were prepared by me personally after an exhaustive examination of all papers available.

The amount of \$45,750 was assessed against the Stevens Institute of Technology at the time the money came to the institute through the will of E. A. Stevens, the founder. At that time the war-tax law had not been repealed, though the repeal of the law, as far as it effected educational and charitable institutions, was under consideration.

Mr. TILSON. This war tax was passed as far back as what date?

Mr. HUMPHREYS. 1862, sir.

Mr. TILSON. And it had been in operation?

Mr. HUMPHREYS. It had been in operation.

Mr. TILSON. Since 1862?

Mr. HUMPHREYS. July 1, 1862, amended June 30, 1864, and again amended July 13, 1866.

Mr. TILSON. And was repealed?

Mr. HUMPHREYS. It was repealed July, 1870, as to the class of institutions named, about six months after the payment of our tax.

Mr. TILSON. Was there anything said in the repeal in regard to the repayment of any taxes which had been collected under it or the release of any taxes that had been laid but not collected?

Mr. HUMPHREYS. The relief of those institutions which had been assessed but had not paid was specifically provided for in the repeal; and not only that, but special acts were passed almost exactly at the same time relieving the Vassar College bequests, and a number of bequests in the hands of Mr. Edge, of Massachusetts. The Vassar College bequest dated back almost exactly two years.

Mr. TILSON. Get back for a moment to just what the repeal says in regard to repayment; let us get the law first and then we will have the precedents.

Mr. HUMPHREYS. The Forty-first Congress passed an act of general application repealing—

All provisions of existing laws whereby any tax or duty is laid upon bequests or devises, or transfers by deed, grant, or gift, made, or intended to take effect after the death of the grantor, of any real or personal property, in trust or otherwise, for public uses of a literary, educational, or charitable character, or upon any real or personal estate, which may become subject to any trust as aforesaid, under any past or future disposition, which, if made in favor of an individual would confer on him a succession, * * * and no taxes heretofore levied thereunder, but not paid, shall be collected.

I emphasize the point that the taxes assessed, but not paid, were not to be collected.

Mr. TILSON. That was the repeal of this very act under which this tax was paid?

Mr. HUMPHREYS. Yes, sir. We have endeavored from the first to learn if any taxes had been paid under that law by educational institutions. Although the investigation was taken up away back in the seventies by my predecessors—I did not graduate from the institution until 1881 and did not return to the institute as president until 1902—there has never been a case cited, although the letters and reports from the Commissioner of Internal Revenue, especially the one which you have on file dated 1906, intimate that there are such payments and that receipts for such payments could be found. They say, however, that it would be impossible at this late date to find them. They also state in this letter that no claim was ever filed in this department for the refunding of this tax. I will now quote from the letter of February 5, 1906, from J. W. Yerkes, commissioner, the letter you have on file:

No claim has ever been filed in this department for the refunding of this tax, and none could have been, for after careful search I am unable to find that any act was ever passed by Congress authorizing the refund of this class of taxes collected under the act of July 1, 1862, and its amendments.

It is true, perhaps, in a technical sense, that there was no claim filed, because of the reasons stated here. But the claim was made on the Treasury Department almost immediately after the passage of the law of repeal, and the contest was kept up for many, many years, the claim first being prosecuted with the Treasury Department. And the Treasury Department having stated that they could do nothing because the act of repeal failed to cover refunds as well as remissions it was taken up with Congress, and in 1875 a petition was filed by the trustees of the institute, who, at that time were still the original trustees of the institute, and also the trustees of the will of

E. A. Stevens, namely, the widow of Mr. Stevens, her brother, a minister of the gospel, and a sea captain. Naturally this board did not anticipate that it would be necessary to prosecute a claim which, on its face, was so eminently fair and just. The trustees also made a petition to Congress December 26, 1877; and in both of these petitions it is distinctly stated—it is very briefly stated in this last petition: "The case is the only case of the kind and the amount is not great." So while we can not positively say that there is no case similar to ours, the department, although repeatedly applied to, has never been able to cite such a case.

Now, our position is this: That certain assessments made prior to ours were not paid; those who had failed to pay their assessments were relieved by this repeal, while we who paid within twenty-eight days of the bill being filed with us have not gotten relief, and I claim that those who were so relieved, Vassar College and others, have had the advantage all these years of the principal plus the interest, and that no matter whether payment had been made by other institutions prior to the date of the Vassar bequest or not, that as long as the repeal relieved those who had not paid and who had been assessed prior to our assessment we should be put on a par with them; in all equity we should have the relief sought. Otherwise we are penalized for paying the amount demanded by the Government while others were relieved because they did not meet the Government's demands.

The position of the Treasury Department is brought a little more up-to-date by the letter of April 4, 1910, from C. D. Hilles, Acting Secretary of the Treasury, to Hon. W. H. Wiley, which letter says:

TREASURY DEPARTMENT,
Washington, April 4, 1910.

Hon. W. H. WILEY,
House of Representatives, Washington, D. C.

SIR: Referring to your letter of April 4, requesting to be advised what institutions, outside of the Stevens Institute of Technology, of Hoboken, N. J., paid the legacy taxes under the law of 1862 and its amendments, especially the act of June 3, 1864, and what, if any, claims have been made by such institutions for its refundment, and asking, further, that this information be furnished you some time to-morrow, I beg to advise that the data requested is in the files of the Bureau of Internal Revenue, but inasmuch as there were a great number of institutions similar to the Stevens Institute of Technology which paid this tax from 1862 to 1870, and these institutions were scattered through more than 300 collection districts then in existence in the United States, and the fact that the assessment lists for all of these districts would have to be examined through the period of eight years referred to, it would take a considerable force of clerks for a considerable period of time to gather the data desired. It would be entirely impossible to have the data at the time requested.

So far as the records of the Bureau of Internal Revenue show, no claim for refund of the tax on an institution of this character has ever been allowed. As to whether or not any bills have been passed granting relief in such cases I am unable to state.

Very respectfully,

C. D. HILLES, *Acting Secretary.*

I do not want to differ too strongly with the gentleman who wrote this letter, but as this effort has been made for many years to get this information, and as they have never been able to bring up a single case, it seems rather extraordinary to intimate that there are some three or four hundred collection districts that have to be looked through or examined.

MR. TILSON. There must have been bequests during that period?

MR. HUMPHREYS. I should think so, though, of course, at that time if you recollect—but probably your memory does not go that far

back—take, for instance, the Massachusetts Institute of Technology. It was really founded by Rogers in 1858 or 1859, but the war came along and practically halted them, so the work was not pushed until after the war. Matters were pretty dull in the educational line during the civil-war period. I will not lay great stress on this point, except to say that we made every effort to find out the facts. When I took charge of the institute as president in 1902, it took me a year or two to get the facts. Since then additional facts have come to me from the papers found by the executors of my predecessors, Doctor Morton, president of the institute, and the Rev. Mr. Dod, president of the board of trustees. So I have received some papers which they themselves had forgotten were in existence.

Now, when I took hold of this matter actively, about 1903, I went so far as to say, in answer to a possible criticism that had been suggested, that if this money was paid it would be used entirely for the benefit of the institute; that no commissions or expenses would be paid out of it; that not one dollar would be diverted from the amount received. I want to state now that this money, if recovered, will go to buy the land absolutely necessary for our institution, the historic Castle Point, including the so-called Stevens Castle. I also offered at that time, if the Commissioner of Internal Revenue could not find the necessary force for the work—and although I presumed it would be out of order—if he could find a way of authorizing it I would personally pay the expenses of the auditors to go through those books; that I wanted to find the actual facts as much as he did. The reply was made that outsiders could not be allowed access to the papers for such a purpose. The chairman of this Claims Committee in the last Congress, Mr. Miller, when I made the statement to him that I could not get this information, guaranteed that he would get it, but after trying two or three weeks he had to give it up.

But my point is apart from that, and I want to lay some stress on it, that our case is the same as the case of those who had been assessed before us and had not paid; and no matter whether others had paid in the past or not, that is, before the Vassar bequest, which was relieved, we did pay our claim; paid it within twenty-eight days of the receipt of the demand; those who had been assessed but had refused to make payment had bills introduced in the House for relief and Vassar did get, six months after we paid, special legislation, which canceled its obligation; they got relieved and we did not. The Edge legacies were also relieved, practically at the same time. Also, within six months of the time Stevens Institute made payment, the general act of repeal was enacted, which gave relief to any and all institutions which might be involved except the one institution which had paid the Government's claim so promptly.

Mr. GOLDFOGLE. How much did you pay?

Mr. HUMPHREYS. \$45,750. I do not know whether you care to have these as an exhibit, but here are the photographs of the original receipts from the collector of the district. There was some intimation that the claim had not been substantiated. I therefore present these to cover that item of proof.

Mr. GOLDFOGLE. What do you mean by the original photographs?

Mr. HUMPHREYS. The photographs of the original receipts from Jacob Weart, collector.

Mr. GILL. Are they marked as being paid under protest—that is, are the receipts so marked?

Mr. HUMPHREYS. No; and from my information they would not have been so marked.

Mr. TILSON. Is there any claim that it was illegal at all?

Mr. HUMPHREYS. No. I do not claim that it was technically illegal, but I do claim that as long as those who were assessed prior to our assessment and later got relief from Congress by special and general legislation, in all equity we should be included with them; we should not be penalized because we did pay and they did not.

Mr. GOLDFOGLE. You mean that at the time you paid the money the assessment or tax was lawful?

Mr. HUMPHREYS. Yes, sir; technically lawful, because the law had not been repealed.

Mr. GOLDFOGLE. So that you were required to pay the money at the time and you did pay it?

Mr. HUMPHREYS. Yes, sir; we did pay and others who were assessed before us did not pay. In that connection let me say that probably why there was no protest filed was this: You see all of these original trustees have died since, although they were all living for some years after I graduated from the institute; and they have stated they did not know at the time they made payment anything about any movement for repeal, or that the matter was being considered by Congress.

The CHAIRMAN. Your claim is this: That on January 28, 1870, the Stevens Institute, through its trustees, paid to the collector for the fifth district of New Jersey \$45,750 under the legacy law then in existence?

Mr. HUMPHREYS. Yes, sir.

The CHAIRMAN. You do not question the lawfulness of the amount paid?

Mr. HUMPHREYS. No, sir; I wish I could.

The CHAIRMAN. Now, then, on the 14th——

Mr. HUMPHREYS. Let me correct you in a little detail.

Mr. GOLDFOGLE. Are we to understand that those who were relieved by special legislation were given a premium by the Government because they were not good enough citizens to pay the tax?

Mr. HUMPHREYS. That is it exactly. In order that there may be no misunderstanding about details I want to say that the tax was not paid January 28; that is, all of it; it was paid in two amounts two days apart, for some reason.

The CHAIRMAN. Well, I am reading from your statement.

Mr. HUMPHREYS. On January 26, \$18,750 was paid and two days later \$27,000 was paid, making a total of \$45,750.

The CHAIRMAN. Now, your further claim is that this act, under which you lawfully paid this money, was repealed July 14, 1870.

Mr. HUMPHREYS. That is right, sir.

The CHAIRMAN. You also claim that on July 15, 1870, there was approved a special act of the Forty-first Congress releasing from succession tax devises and bequests made to Vassar College by the last will and testament of Mathew Vassar, bearing date the 3d day of February, 1868?

Mr. HUMPHREYS. That is right, sir.

The CHAIRMAN. Now, that is your claim. Here is the claim of the Treasury Department. But before going into that let me ask you: Did you ever make any claim on the Treasury Department, or any of its officials, for the refunding of this tax?

Mr. HUMPHREYS. Certainly, we did.

The CHAIRMAN. When did you first make it?

Mr. HUMPHREYS. I will be able to furnish you with the exact dates.

The CHAIRMAN. That you can put in your record when you revise it.

Mr. GOLDFOGLE. Are you able to state how many other institutions are situated as you are and paid the taxes under the law as you did?

Mr. HUMPHREYS. No, sir; I am unable to state, although, as I explained to the gentlemen before you came in, we have tried to get that information. I am taking the position that there are none like ours, which paid after those who were assessed and relieved from payment by the acts referred to.

Mr. GOLDFOGLE. The principle would be the same with regard to the other institutions that paid before?

Mr. HUMPHREYS. No, sir; I think not.

Mr. GOLDFOGLE. Why not?

Mr. HUMPHREYS. I will try to explain. I think there is a distinct dividing line. If certain institutions paid when there was no question of repeal, and certain other institutions later on were assessed but did not pay and successfully withstood the pressure of the Government and their position was finally confirmed by Congress repealing the law, I claim the date established by the earliest of these assessments that were not paid and later remitted by act of Congress creates a distinct dividing line, that any assessments paid from then on, if there were any besides ours, should, in equity, get the same relief we ask for; but I am positive there were no others after that time, because an exhaustive examination was made in the early seventies and no other case was found. It is very well known in educational circles throughout the United States that this claim has been before Congress for years and yet no other like claim has been heard from. Probably I have a better chance to know because I am a member of the board of trustees of the Carnegie Foundation; Henry S. Pritchett, formerly president of the Massachusetts Institute of Technology, is the chairman of the Foundation, and he is one of our trustees and he has tried to find out; he is in touch with all the institutions of higher learning in the United States. But, of course, that is only negative evidence.

The CHAIRMAN. You must bear this in mind—as one of the coordinate branches of the Government we have asked the executive branch for a report upon your bill.

Mr. HUMPHREYS. Yes, sir.

The CHAIRMAN. In that report they say as follows:

No claim has ever been filed in this department for the refunding of this tax, and none could have been, for after careful search I am unable to find that any act was ever passed by Congress authorizing the refund of this class of taxes collected under the act of July 1, 1862, and its amendments.

Under the act of June 13, 1898, commonly called the Spanish war tax act, taxes upon the passing of estates were levied similar in many respects to the law of 1862.

On June 27, 1902, the Congress by an enactment authorized the Secretary of the Treasury to pay back to institutions similar to that of the Stevens Institute such sums of money as had been paid by them as taxes upon legacies received. This law covered the taxes paid since 1898 on funds received by religious, charitable, and educational institutions.

The civil war legacy tax act was repealed by the act of July 14, 1870, to take effect October 1 of that year, but the repealing act contained no provisions for the repayment

of the tax collected on bequests passing to religious, literary, or educational institutions.

This pending bill for the relief of the Stevens Institute asks for the refund of \$15,750 with interest thereon since January 28, 1870. The interest, if calculated at 6 per cent, would now amount to \$98,820, which, added to the principal, brings the total amount to be paid by the Government under the provisions of the bill to \$144,570.

This office knows of no reason why the Stevens Institute should be relieved under special legislation from the provisions of the act of 1862.

Now, what is your answer to that? You must remember this, that you filed your bill, we called for a report, and that this is the evidence that is before us. Can you controvert it successfully?

MR. HUMPHREYS. I can go a long way toward it. Technically, as I have said, a claim may not have been filed with the Treasury Department. A claim was made on the Treasury Department and was made by the firm of Alexander & Green, of New York, the Alexanders being in sympathetic relations with Mrs. E. A. Stevens.

THE CHAIRMAN. In any event, it was never allowed?

MR. HUMPHREYS. That is quite true, sir. And the statement was made at that time, to the trustees, that action would have to be taken by Congress before the claim could be allowed. Bear in mind that I have now said that a claim was made through the Treasury Department; through failure to get it through the Treasury Department we went to Congress; we went to Congress and filed a petition for the refunding of this money in 1875, and another in 1877; under those petitions the matter was prosecuted many years, and never once has the annual catalogue of the institute been printed without the statement appearing in it that the United States owed the institute that much money and if we could get it we would then only be put on a par with other institutions of like character under like conditions. So the thing has not been allowed to die; and when I took hold I wanted to know more about it and was made president. After an independent and full investigation, I commenced to prosecute the claim with greater diligence.

MR. GOLDFOGLE. This claim has never been favorably reported in the Senate or in the House?

MR. HUMPHREYS. I believe not. As I have said, the trustees were the widow, a minister of the gospel, and a sea captain, and they did not prosecute the claim with that energy and, perhaps, business acumen, that they might have. They trusted too implicitly to the good intentions of the Government.

MR. GOLDFOGLE. Now, assume, for the sake of the present argument, that the claim has equity, though it is conceded that it has no legal foundation. Do you believe the Government should pay interest upon it? I am asking you now as a citizen; I would like to get your views as a high-minded citizen.

MR. HUMPHREYS. I will answer you as a citizen and also answer you as a trader. As a citizen I say if we have equity for the principal we have equity for the interest, for the reason that those who got relief had their assessments remitted and have had the advantage of principal and interest since that time. Now, as to whether we would not be glad to get the principal alone is another question. We believe in equity we should get principal and interest for the reasons stated, but we might be glad to consider a compromise.

Now, I would like to specifically answer the statements of the Treasury Department—

THE CHAIRMAN. That I would like to have you do.

Mr. HUMPHREYS. Yes, sir; I want to run through the letter you have just read. I have already contradicted the statement that no claim was ever made on the department. There may never have been a technical filing of a claim, because, possibly, after the matter was thoroughly discussed with the Treasury Department and it was found that the claim would not be allowed, the technical step of filing a written claim may not have been taken; but the claim was taken before the Treasury Department, discussed with the officials at great length by Alexander & Green, and you know they have some standing—

Mr. GOLDFOGLE. Indeed they have; it is one of the best firms in my city.

Mr. HUMPHREYS. And then, and not until then, it was carried to Congress. Now, with regard to the Spanish war tax that is mentioned in the letter. There another precedent is established, because in that case not only did the United States remit assessments that had not been paid, but authorized the return of all sums of money that had been paid.

It has been contended that if the Stevens Institute is entitled to relief, why not, then, all other institutions of similar character which paid the tax on similar legacies. I distinctly differ from the Treasury Department in that, even if such payments were made; and I am willing to state that there were no cases similar to the Stevens Institute—to state that there are no other cases; that is, of assessments made on or about the time of the Vassar assessment and paid as was the Stevens assessment. I think a thorough investigation—and I would personally pay the expenses of that—would disclose the fact that there were no other such taxes paid after the laying of the assessments that were remitted; therefore I say there is no other case like it, and it would be a distinct answer to those who should come forward with claims dating back behind the date set by the remission of taxes, as already explained, by saying that Congress, through its act of July 14, 1870, established a precedent for repayment only as to such assessments as were laid on or about the time of the Vassar bequest.

The CHAIRMAN. Don't you see that in your circular you are quoting precedents where we have refunded to different persons and manufacturing companies?

Mr. HUMPHREYS. I will tell you why I did that.

The CHAIRMAN. And you have brought right up against us precedents that do not apply, in my judgment, to this case. You stand or fall, as I take it, in this way: You claim that you paid the assessment; you claim that other institutions on all fours with your institution and that had received bequests like yours did not pay the taxes, but deferred from time to time, and that they were relieved of the payment of their taxes by special acts of Congress?

Mr. HUMPHREYS. Yes, sir.

The CHAIRMAN. And you feel aggrieved in this because you did your patriotic duty in a time when the Government needed money and paid your assessment promptly, that others declined and refused to pay the assessment; that they were relieved from its payment but that you were not relieved?

Mr. HUMPHREYS. That is right, sir.

The CHAIRMAN. For that reason you claim that you have an equitable right to be relieved?

Mr. HUMPHREYS. Yes, sir; and ours is the only case of that kind.

The CHAIRMAN. Now, have you a case in existence that you can recall where money was actually paid in by an institution under a legacy and where an act of Congress ordered the money to be repaid to that institution?

Mr. HUMPHREYS. Yes, sir; the very case cited in this letter.

The CHAIRMAN. What one?

Mr. HUMPHREYS. Under the Spanish war tax.

The CHAIRMAN. That is another question.

Mr. TILSON. That was required by law.

The CHAIRMAN. That is another question, forty years after this particular matter in controversy. This matter has grown out of the law of 1862 and its amendments. We might hereafter pass a law establishing an inheritance tax and provide that certain institutions should not pay the tax, but you could not go back to the beginning of the Government and say this institution and that institution should be relieved because of the subsequent legislation. That is what you are seeking to do. You can not, in any sense, quote the Spanish war case as a precedent for your case.

Mr. HUMPHREYS. I was simply quoting that as——

The CHAIRMAN. So leave that out entirely.

Mr. HUMPHREYS. Will you let me refer to one thing which you stated about the manufacturers?

The CHAIRMAN. Well, leave that out and get back to the point in issue. Have you any instance or any case growing out of the act of 1862, and its amendatory acts, where any institution has paid money into the Treasury and where Congress has ordered that money to be paid back to the institution?

Mr. HUMPHREYS. I have not, sir.

The CHAIRMAN. Have you any instance, other than what you have stated as to the Vassar College and the Edge case, where institutions were assessed under that law, failed to pay the assessment, and were afterwards relieved from the assessment?

Mr. HUMPHREYS. I have no information that I can definitely state. You will see at once how we managed to get hold of these two cases; there were special bills passed for their relief independent of the general act; that is how they came to our attention. It would be just as difficult to find the others, if there were any, as it was for the Treasury Department to find those that have been paid prior to this period under discussion. We would have to go through the Internal Revenue Department's books to find out what assessments have been made and not paid; it wasn't within my power to get that information.

The CHAIRMAN. But these two cases we can know something about, because you refer to them?

Mr. HUMPHREYS. Yes; you can learn about them definitely.

The CHAIRMAN. Is there anything further?

Mr. HUMPHREYS. I would like to say one word, sir. I am sorry to take so much time, but I am very much interested in this matter, especially as I am lying awake nights trying to find money to pay ✓ the institute's expenses.

I would like to have the committee's consideration of the facts stated, and I would like particularly to ask the members of the committee to look over my statement of June 29, 1905, not necessarily burdening themselves with the first part of it, but to look at the latter part of it, headed "Inventions and work of Colonel John, Robert L., and Edwin A. Stevens, briefly stated."

Mr. GOLDFOGLE. Will you pardon an interruption at this point? I was not here when you commenced your statement, and I do not know whether you informed the committee whether your institute is one admitting pupils for pay only or whether it is one that takes in free pupils, and, if so, upon what terms? Will you kindly inform me on that point.

Mr. HUMPHREYS. I have not covered that, but I shall be glad to do so. The institute charges a fee of \$150 a year, which is very considerably less than any of the other engineering institutions of the Eastern States. For many years we have had in contemplation the raising of the fee; it has been within my power to do so, but I have resisted up to this time; it costs us for each pupil about \$300 a year. Thus we contribute from our endowment one-half the cost.

Mr. GOLDFOGLE. Are there any free scholarships?

Mr. HUMPHREYS. We have some which I have established myself by endowment, and then we have some 16 that go to pupils graduated from high schools in Hoboken or Hudson County, N. J. I should wish we had very many more; I am endeavoring to get endowments for that very purpose, and especially I am endeavoring to induce the citizens of the several larger cities of New Jersey to establish such scholarships for the graduates of their high schools.

Mr. GOLDFOGLE. Otherwise there are no free scholarships?

Mr. HUMPHREYS. There are no absolutely free scholarships except those mentioned, about 20 in all. We do sometimes pass through free or at reduced rates, sons of clergymen and educators. Of course, it is a mere question of size of endowment; unless I can get an endowment to support each scholarship—and it takes at least \$5,000—each scholarship would increase our deficit each year, and we are now running at a deficit of about \$20,000 a year.

Mr. GOLDFOGLE. Don't you think that in an institute that asks a hundred and odd thousand dollars from the Government there ought to be enough philanthropy in those who take a great interest in the institute—and I happen to know they are quite wealthy—to provide free education for many who seek that kind of an education?

Mr. HUMPHREYS. I say, sir, I am and have been for eight years trying very hard to get additions to our endowment, but while I am fairly efficient in some directions I fear I am inefficient as a beggar. I have secured additions to our endowment in eight years of about \$375,000, and still we are running with a deficit. Engineering education is necessarily very expensive.

I would like to refer, for a moment, to the work done by the Stevens family. It does not seem to be well known that this family, as a family of engineers, have been more prominent in the improvement of industrial applications than any other one family in the United States; and I will refer to a few of their inventions. For instance, John Stevens, the father of our founder, with his sons helping him, invented not only the screw propeller but the double screw propeller before Fulton's boat was on the water. Fulton's engine was built

in England, but the Stevens family built their own boat and their own engine in their own shops in Hoboken and put the boat on the water complete; it was the first steam-propelled boat to brave the perils of the open sea; it encountered a severe storm, but it weathered it and made its way to Philadelphia, sailing from New York. Robert L. Stevens, the brother of our founder, was in charge. Robert L. Stevens was the inventor of the T rail on which all of our railroads are running; he was the inventor of the "sleeper" construction for railroads, together with the spike, practically as now used; he was the inventor of many appliances in steam engines which are now used. They built the first steam ferryboat, and invented the spring pile slip construction to enable the boats to go in either end on, as now operated. They built the first ironclad war vessel, placed it at the disposal of the Government, and it could have been used at any time if the necessity had existed; it was used as an experimental station for the officers and engineers of the United States Navy for many years for investigations, costing E. A. Stevens, our founder, over a million dollars. At the time of the war E. A. Stevens built, without cost to the Government, the celebrated gunboat called the *Naugatuck*, which went down to Hampton Roads to meet the *Merrimac*.

The CHAIRMAN. I will suggest that you obtain leave from the committee to have that printed in the hearings.

Mr. HUMPHREYS. May I quote one sentence from this statement:

Rear-Admiral George W. Melville, U. S. Navy, stated, February 18, 1897: "John Stevens was one of those engineers whose labor has never received due official recognition. The navy owes much to the Stevens family, and as an officer of that service I am pleased to pay an honorable tribute to the importance of the work accomplished by its members. That a memorial should be erected to the work of John, Robert L., and Edwin A. Stevens is more than fitting. The day will yet come when the Congress of the United States will give some official recognition of the work rendered by these men."

I respectfully call your particular attention to the petition of the trustees to Congress, dated December 26, 1877, and to the many petitions which have been filed with the committee in connection with the present bill for relief, coming from our alumni and others. I also refer you to the very general and intense interest taken in this question by our fifteen hundred alumni as evidenced by the hundreds of letters received by the members of this committee and other Members of Congress.

I particularly bring to your attention correspondence between Mr. Andrew Carnegie and the honorable Speaker of the House.

I also ask your careful consideration of two statements prepared by me, one dated June 29, 1905, and the other dated March 16, 1910.

I respectfully suggest that Admiral Melville's suggestion may well be considered in connection with the institute's claim now under consideration. Let the great services rendered to the country and directly to the Government in times of need be considered at this time. Let it also be borne in mind that the Stevens endowment was applied in a pioneer effort, successful in an eminent degree, to establish engineering education on lines so far untried. The institute was hampered from the first by being deprived by the Government of over 9 per cent of its productive endowment. I respectfully pray that this committee report favorably on H. R. 20338.

No. 14.

UNITED STATES INTERNAL REVENUE.

COLLECTOR'S OFFICE, FIFTH DISTRICT OF NEW JERSEY,
_____, 1870.

Received of Martha B. Stevens, S. B. Dodd, and W. W. Shippen, executors estate of Edwin A. Stevens, deceased, _____ dollars for excise tax on trustees of Stevens Institute, strangers legacy \$450,000 (6), \$27,000, being amount assessed on monthly list for December, 1869.

JACOB WEART, *Collector*.

No. 14.

UNITED STATES INTERNAL REVENUE.

COLLECTOR'S OFFICE, FIFTH DISTRICT OF NEW JERSEY,
_____, 1870.

Received by Samuel B. Dodd, trustee of Stevens Institute, _____ dollars for excise tax on stranger-succession \$312,500 (6 per cent), \$18,750, being amount assessed on monthly list for December, 1869.

JACOB WEART, *Collector*.SPEAKER'S ROOM, HOUSE OF REPRESENTATIVES,
Washington, D. C., January 31, 1908.

DEAR MR. MILLER: Inclosed I hand you a letter from Andrew Carnegie relative to the bill pending in Congress for the relief of the Stevens Institute of Technology of Hoboken, N. J. A copy of my reply to Mr. Carnegie is also inclosed for your information.

I am, with respect, etc., yours, truly,

J. G. CANNON.

Hon. JAMES M. MILLER,

*Chairman Committee on Claims, House of Representatives.*SPEAKER'S ROOM, HOUSE OF REPRESENTATIVES,
Washington, D. C., January 31, 1908.

DEAR MR. CARNEGIE: I have your favor of the 29th instant and note what you say relative to the claim of the Stevens Institute of Technology of Hoboken. I have referred your letter to Hon. James M. Miller, chairman of the Committee on Claims, House of Representatives, and expressed the hope that he will give the bill to which you refer early attention. From the statement in your letter and the letter of President Humphreys it would appear that from every standpoint there is a righteous equity for the enactment of legislation for the relief of Stevens Institute.

I am, with respect, etc., yours, truly,

J. G. CANNON.

Hon. ANDREW CARNEGIE,

*2 East Ninety-first street, New York City.*NEW YORK, *January 29, 1908.*

MY DEAR MR. SPEAKER: I quite understand the difficulty there is in separating the old-time telegraphers from hosts of others, but here is a case which I really can not see any reason to deny.

I have been a trustee of Stevens for years, and I do not know any institution which is doing better than it. I have contributed several hundred thousand dollars. Its needs were never more pressing than to-day, and I think it would be disgraceful that it should suffer for its virtue in paying promptly the taxes assessed by the Government. Had it imitated Vassar and other similar institutions and not paid, it would have escaped.

Truly, Mr. Speaker, I think your sense of justice should induce you to tell "the boys" that this bill must go through. Note what the Stevens family has already done. If they were rich, I do not think they would hesitate to take care of Stevens. Unfortunately, they are not.

Yours, very truly,

ANDREW CARNEGIE.

Hon. JOSEPH G. CANNON,

House of Representatives, Washington, D. C.

STEVENS INSTITUTE OF TECHNOLOGY,
Office of the President, March 16, 1910.

BRIEF STATEMENT OF AN ISOLATED CASE OF EDUCATION TAXED BY THE UNITED STATES.

As a civil-war measure on June 3, 1864, the United States Government passed an act imposing taxes on legacies, inheritances, successions, etc.

Mr. Edwin A. Stevens, of Hoboken, N. J., died August 9, 1868, leaving a block of land in that city, \$150,000 for a building to be erected thereon and devoted to educational work, and \$500,000 for an endowment. The building was erected and opened as the Stevens Institute of Technology in September, 1871.

Under the act cited the Stevens bequest was assessed \$45,750, being 6 per cent on \$762,500. Although other educational institutions were not moving to pay the amounts assessed against them, the trustees of Stevens Institute, influenced by strong pressure brought to bear upon them by Jacob Weart, United States internal-revenue collector for the fifth New Jersey district, paid this amount January, 1870, less than one month after the receipt of the bill. This payment was made in two installments, two days apart. It is significant that neither of the receipts makes any recognition of the fact that this particular legacy was solely intended for the advancement of learning, the first receipt being for "stranger succession" tax and the second for "stranger's legacy" tax.

The trustees of Stevens Institute of Technology, as designated by Mr. Stevens in his will, were the same persons whom he designated as executors of his estate and of other benefactions under his will. They were his widow, Mrs. Martha B. Stevens; his brother-in-law, Mr. Samuel B. Dod; and his business associate, Mr. William W. Shippen.

Under this law a tax had been levied on a bequest made by Matthew Vassar in his will dated February 3, 1868, to Vassar College, Poughkeepsie, N. Y. On July 15, 1870, the Forty-first Congress passed unanimously a special act concerning this particular case, in which appears the following: "There shall neither be assessed nor collected any tax as for a legacy or succession, and the sum already assessed shall be, and is hereby, remitted and released." It is to be noted that this assessment had remained overdue and unpaid for nearly two and a half years.

The same Congress on July 11, 1870, had given relief to the estate held by Louis M. Edge from succession tax on certain church and school properties in Massachusetts.

Later the Fifty-third Congress exempted from taxation the Young Men's Christian Association of the District of Columbia.

But this was all special legislation.

Under date of July 14, 1870, the collateral inheritance tax law itself was repealed, the evident intention of the lawmakers being to afford relief to all concerned, as shown by the following words in the bill: "All provisions of existing laws whereby any tax or duty is laid upon bequests * * * for public uses of a literary, educational, or charitable character * * * no taxes heretofore levied thereunder but not paid, shall be collected." Unfortunately Stevens Institute had paid promptly the Government's claim while the other educational and charitable institutions had delayed or declined making payment. The institute was penalized for meeting what its trustees conceived to be their obligations to the National Government. So far as known, and every possible effort has been made to ascertain the facts, the United States Government has never collected and retained a tax from any other educational institution.

A special war tax on legacies, bequests, etc., passed by Congress June 13, 1898, at the time of the Spanish war (which special tax forms a parallel with the civil-war measure under which Stevens Institute was taxed), was followed by an act of the Fifty-seventh Congress (H. R. 10303) providing for the "refunding of taxes paid upon legacies and bequests for uses of a religious, charitable, or educational character * * *"

Unfortunately this bill providing for the refunding of taxes in such cases as our own extends no further back than the date of the Spanish war measure. Our own claim is none the less just; and that the statute of limitation is not necessarily a bar to our claim is shown by the action of Congress itself in passing an act on August 27, 1888, authorizing and directing the Secretary of the Treasury to pay a drawback of duties on certain goods, but which "were not entered for drawback within the time fixed by law."

The recent efforts (in 1905 and 1908) to recover this money from the Government were not the first that were put forth by the authorities of Stevens Institute. Previous to 1874 the trustees had endeavored to secure the repayment of the tax, and in that year the matter was placed in the hands of the law firm of Alexander & Green, who pressed the claim for refund particularly before the Secretary of the Treasury and the Commissioner of Internal Revenue at Washington. These officials declared that the

only relief could come through Congress. Following this, the trustees petitioned Congress at succeeding sessions, the petition of December 27, 1877, being specially urgent and convincing. Apparently the trustees were discouraged by the indifference shown by Congress to their just claim, for there is found no record of further definite effort to recover until 1903, when President Humphreys began a careful investigation of the whole subject.

In 1905 President Humphreys caused a relief bill to be introduced in both Houses of Congress. At the same time he issued a circular to the alumni asking them to cooperate by writing to or interviewing their Representatives in Congress. He appeared before the Committee on Claims of the House of Representatives, receiving most encouraging assurances from that committee. The alumni responded loyally to the request for cooperation, bringing pressure to bear upon their Representatives. Most of the correspondence passed through the hands of President Humphreys. Only two Congressmen declined to acknowledge the justice of the institute's claim; most of them spoke positively in favor of restitution. One of the two who, in correspondence, had declared against restitution, after listening to President Humphreys's explanation and arguments in the Committee on Claims, frankly acknowledged that he was converted, and turning to the chairman said, "This is a most righteous claim and should be paid."

In 1908 bills for relief were again introduced in Congress and the alumni were again circularized.

Since 1903 President Humphreys has been constantly engaged, in every way open to him, in the effort to recover from the United States Government this money, never more needed than at the present time.

STATEMENT IN REGARD TO MONEY TAKEN BY THE UNITED STATES GOVERNMENT
FROM THE ORIGINAL E. A. STEVENS ENDOWMENT AS COLLATERAL INHERITANCE
TAX UNDER AN ACT PASSED IN 1864 AND REPEALED JULY 14, 1870.

HOBOKEN, N. J., June 29, 1905.

Mr. Edwin A. Stevens, of Hoboken, in his will bearing date April 15, 1867, bequeathed a block of land bounded by Hudson, River, Fifth and Sixth streets, \$150,000 as a building fund, and \$500,000 as an endowment fund, and upon this endowment the Stevens Institute of Technology was organized.

On this endowment the United States, through Jacob Weart, collector for the fifth district of New Jersey, United States internal revenue, collected as collateral inheritance tax 6 per cent on \$762,500, namely \$45,750. This payment was made by the Stevens Institute trustees January 28, 1870.

The Forty-first Congress passed an act repealing "all provisions of existing laws whereby any tax or duty is laid upon bequests or devises, or transfers by deed, grant, or gift made, or intended to take effect after the death of the grantor, of any real or personal property, in trust or otherwise, for public uses of a literary, educational, or charitable character, or upon any real or personal estate which may become subject to any trust as aforesaid, under any past or future disposition which, if made in favor of an individual, would confer on him a succession * * * and no taxes heretofore levied thereunder, but not paid, shall be collected." (The underscoring has been added in copying.)

This repealing act was approved July 14, 1870.

On July 15, 1870, there was approved a special act of the Forty-first Congress releasing from succession tax devises and bequests made to Vassar College by the last will and testament of Matthew Vassar, bearing date the 3d of February, 1868.

The Forty-first Congress also passed an act to relieve the estate held by Louis M. Edge from succession tax and stamp tax. Edge during his lifetime held the legal title to certain church and school properties in the States of Massachusetts and New York. Edge died the 23d day of February, 1870. By an act of Congress, approved July 11, 1870, his trustees were relieved from paying any legacy or succession tax upon the property left for school and church purposes.

Thus it is shown that if the Stevens Institute trustees had held off from paying this tax, as other like institutions did, this serious impairment of its endowment could have been altogether avoided.

Precedents can be established from the congressional records of Congress giving relief without regard to the statute of limitations. To quote a single case: The Fiftieth Congress passed an act for the relief of the Sone & Fleming Manufacturing Company, authorizing and directing the Secretary of the Treasury to pay to that company the sum of \$5,265.73, being the amount of drawback of duties due to them on certain tin

cans, exported by them, but which were not entered for drawback within the time fixed by law. This act was approved August 27, 1888.

Stevens Institute has been engaged since 1871 in thoroughly equipping young men for work in the engineering and industrial fields. From 1871 until May, 1902, the work was under the direction of Dr. Henry Morton, who served for about eight years of this time on the United States Light-House Board without compensation.

At the time of the breaking out of the Spanish war, 31 Stevens graduates volunteered for the service in the army or the navy. Many of these men served with distinction and some of them have remained in the employ of the Government. Sixteen Stevens graduates are now in the service of the United States Government.

The records made by its alumni in the industrial field have operated to send to Stevens a constantly increasing number of students, with the result that its endowment is now quite insufficient to provide for the work in hand.

The officers are making every possible effort to raise \$500,000 for additional buildings, their equipment, and their endowment.

Two pledges of \$50,000 each have been secured contingent upon the raising of a like amount of \$100,000.

There is now being built a new laboratory of chemistry from a fund subscribed by the late president and the alumni. This building and its equipment will cost about \$120,000.

The Institute is not asking for any government aid, but it is asking to have restored to it, with interest, the money taken by the United States Government, which, under similar conditions, was restored to other educational institutions.

The notable services rendered to their country by E. A. Stevens, the institute's founder, his brother, Robert L. Stevens, and their father, Col. John Stevens, serve to emphasize the justice of this claim for restitution. A very brief statement of these services is hereto appended.

ALEX. C. HUMPHREYS, *President*.

INVENTIONS AND WORK OF COL. JOHN, ROBERT L., AND EDWIN A. STEVENS BRIEFLY STATED.

President Charles King, of Columbia College, writing of Col. John Stevens in 1852, said: "Born to affluence, his whole life was devoted to experiments, at his own cost, for the common good"; and the same may be said in substance of his sons, Robert L. and Edwin A. Stevens.

Col. John Stevens, father of the founder of Stevens Institute of Technology, born 1749, died 1838.

Was treasurer of New Jersey during the active period of the Revolutionary war, 1777-1783.

The patent law of April 10, 1790—the foundation of American patent law—was framed on his petition. (See Journal of House of Representatives, p. 30.)

Began experimenting on steamboat construction previous to 1790; took out patents for propelling boats by steam pumps in 1792, and in 1798 constructed a steamboat that navigated the Hudson River. (See inscription beneath medallion portrait of John Stevens in section of Transportation and Engineering in United States National Museum at Washington.)

Was first to make practical application of steam to screw propellers in 1804, when he operated a steamboat on the Hudson River—three years before the *Clermont*. The engine for his boat was built by him at home; that for the *Clermont* was built in England.^a

Invented the multitubular boiler in 1803.

Built the *Phoenix* in 1807, which was the first steamboat that ever ventured on the sea—going from New York to Philadelphia in 1809 under the command of his son, Robert L. Stevens.

Built the steam ferryboat *Juliana* in 1811 for operation between New York and Jersey City, but was driven from the Hudson River by monopoly held by Fulton. Colonel Stevens then operated his ferryboat between Middletown and Hartford on the Connecticut River.

^a Historical references for the statements made in this and the following paragraphs may be found in the Morton Memorial Volume, published at Stevens Institute of Technology, Hoboken, N. J., 1905.

Designed a steam vessel with a "saucer-shaped" hull to be plated with iron and to carry a heavy battery, and so constructed as to revolve rapidly about a center so that a gun could be fired as it came in line, and reloaded before it again came around. This was an early embodiment of the *Monitor* principle and was the first ironclad ever designed, 1813.

In 1814 and toward the close of the war with Great Britain he devised and put forth the plan of a circular iron fort moved by steam for the protection of the harbor of New York, and in connection therewith caused experiments to be made to determine the effect of firing cannon balls from a 6-pounder bronze cannon against iron plating.

Presented to the United States Government in 1816 a plan for a man-of-war propelled by a screw.

Suggested to the legislature of the State of New York in 1810 the advisability of constructing a railroad across the State from the Hudson River to Lake Erie instead of building the Erie Canal; and in advocating a railroad at that time, long before the world had ever seen a locomotive, he predicted that there was "no limit to the speed of a locomotive on a rail but the strength of materials," and also stated: "It may not in practice be convenient to exceed 20 or 30 miles an hour, and I should not be surprised at seeing steam carriages propelled at the rate of 40 or 50 miles an hour."

Built an experimental locomotive and operated it for several years on a circular track in Hoboken in 1826. This was the first locomotive in America, driven by steam on a track, of which there is reliable record.

The South Carolina Railroad, commenced in 1829 and completed in 1832, and which was then the longest railway in the world, was constructed on his plans, as laid down by him twenty years before.

Obtained the first railroad charter granted in America, in 1817, from the State of New Jersey, "to build a railroad from the river Delaware, near Trenton, to the river Raritan, near New Brunswick."

Principally through his exertion and in company with Stephen Girard and Horace Binney, obtained the original charter for the Pennsylvania Railroad in 1823 from the legislature of Pennsylvania for a railroad from Harrisburg to Pittsburg.

Robert Livingston Stevens, brother of the founder of Stevens Institute of Technology, born 1787, died 1856.

Commanded the first steamboat that ever ventured on the ocean, in 1809, in a trip from New York to Philadelphia on the *Phoenix*.

Experimented with bombs to be fired from cannon in 1814, developing the percussion shell subsequently used by the United States Government.

Builder of fast steam vessels. The utmost speed hoped for in the *Clermont*, which operated on the Hudson in 1807, was 7 miles per hour. Robert L. Stevens improved on this steadily, and in 1814 turned out the *New Philadelphia*, superior in size and equipment to all previous vessels, and it started forth at a rate of 13½ miles per hour. With this vessel began the first day line from New York to Albany. The *New Philadelphia* was the first steamboat to use a long sharp bow.

First to use steam expansively in the *New Philadelphia* steamboat in 1815.

First to burn anthracite coal in a cupola furnace, and subsequently to introduce this fuel in fast steamers.

Originated the form of ferryboats and ferry slips now in general use, constructing the ferry slips with spring piling and fenders.

First to apply successfully artificial blast to the boiler furnaces by means of blowers, on steamboat *North America* in 1827.

Invented what is known as the hog-frame construction for strengthening and steadying fast steamboats, in general use since 1827.

Invented the T rail now in general use on American railways; also the familiar form of spike for securing the rails, 1830. For many years Vignelles of France was credited with the invention of this form of rail, but it is now firmly established that the credit is due to Robert L. Stevens.

Introduced balanced steam valves on the *New Philadelphia* in 1832.

With his nephew, F. B. Stevens, invented the Stevens cut-off gear, in general use since 1841.

Designed, in 1844, the sailing yacht *Maria*, which beat, without difficulty, the victorious *America*, which won, in the race in the British channel, the now famous "America Cup."

Presented to the United States Government in 1841, through his brothers, John C. and Edwin A. Stevens, plans for an armored war vessel; and in 1842 the Government entered into contract with him (see Chap. XII, Stat. L.), "authorizing the construction of a steamer for harbor defense," the vessel to be a "war steamer, shot and shell proof,

and to be built principally of iron upon the plans of said Stevens." The bill for this contract was reported from the Committee of the Whole of the House of Representatives, April 7, 1842, at the suggestion of ex-President John Quincy Adams, who characterized it as "one of pressing emergency." It passed the Senate unanimously, and in the House there were but 13 dissenting votes. It was promptly approved by President Tyler, and almost immediately the construction of the first armor clad, known as the *Stevens Battery*, was begun by Robert L. Stevens, at Hoboken, N. J.

A score of minor inventions, all of which have contributed to the rapid advance of mechanical development in the United States, are the products of the fertile minds of Robert L. Stevens and of his father and brother. In the perfection of mechanical detail Robert was doubtless superior, while his father excelled in the conception and development of broader plans and his brother in the management of the Stevens's enterprises.

Edwin A. Stevens, founder of Stevens Institute of Technology, born 1795, died 1868.

Invented in 1820 the Stevens plow, which was manufactured for many years and sold in large quantities throughout the agricultural section of the United States.

Was in charge of the operation of the Union Line, established in 1820 largely through the efforts of his father and brother, for carrying on the trade between Philadelphia and New York by means of the steamboats that his father had in commission on the Delaware River and in New York Harbor, and connected by a fast stage line across the State of New Jersey, 1825-1835.

When the Camden and Amboy Railroad was constructed in 1832 to take the place of the stage line across New Jersey, Edwin became treasurer and manager. Although there was no precedent for railroad operation at the time he took up the management, which he continued for thirty-five years, the road steadily appreciated in value and never passed a dividend.

Invented the air-tight fireroom, one of the important features subsequently found in every modern navy, for forced draft, 1842.

Experimented, under guidance of his father in 1814, on effect of cannon shot against iron plating, and again in 1841, at an anxious period when hostilities with England threatened, took up the experiments with laminated plates. From these experiments he figured that $4\frac{1}{2}$ inches of iron sheathing would stand 64-pound shot at 30 yards from the marine guns of the day, and eighteen years later the first English ironclad and also a French frigate donned armor of exactly that thickness.

During the civil war Edwin, at his own expense, built and fitted out the *Naugatuck*, which was accepted by the Government and used in the attack on the *Merrimac*.

After the death of Robert L. Stevens, in 1856, Edwin continued the work of construction of the *Stevens Battery* at his own expense, and although the vessel was never launched it could have been completed in short time had necessity required. Thus for many years, from about 1845 to 1860, the *Stevens Battery* was potentially effective for the protection of New York and its harbor from any attack which might have been made by a foreign fleet, for she was far in advance of any of the war vessels of that time. The Stevens family expended over \$1,000,000 in this work.

Rear-Admiral George W. Melville, U. S. Navy, stated, February 18, 1897: "John Stevens was one of those engineers whose labor has never received due official recognition. The navy owes much to the Stevens family, and as an officer of that service I am pleased to pay an honorable tribute to the importance of the work accomplished by its members. That a memorial should be erected to the work of John, Robert L., and Edwin A. Stevens is more than fitting. The day will yet come when the Congress of the United States will give some official recognition of the work rendered by these men."

To the honorable the Congress of the United States:

The undersigned would respectfully represent and petition your honorable body to wit:

By the will of the late Edwin A. Stevens, his executors were directed to found an institution of learning, and for this purpose were given a plat of ground, a building fund, and an endowment fund of \$500,000.

The executors, having regard to the general public welfare, founded an institution for instruction in mechanical engineering and the kindred branches of the sciences as applied to the manufacturing arts.

This branch of education was lacking in the country. It is very expensive to furnish, requiring expensive machinery and models.

The young men who seek it are usually unable to pay but a small part of the expense of their education.

The assessor of internal revenue of the United States assessed, and there was paid to the collector on or about 28th January, 1870, a succession tax of \$45,750.

Your petitioners would humbly pray you to grant them relief from the debt, which was contracted to pay this tax, and which they have not been able since that time to pay, by authorizing the Treasurer of the United States to refund the same to them, on the following grounds:

First. Six months after the payment of this tax, your honorable body did repeal the same, as being a tax on the advancement of learning; and not only repealed the law, but directed that where such a tax had been assessed, but not paid, it should not be collected.

Second. The case is the only case of the kind and the amount is not great.

Third. The general manufacturing interests of the country are more directly advanced by our institution than by any other institution in the country; and the service which we render in this respect we can never be paid for.

S. B. DOD,
W. W. SHIPPEN.

HOBOKEN, December 26, 1877.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, March 28, 1910.

THE CHAIRMAN OF THE COMMITTEE ON CLAIMS,
House of Representatives.

SIR: Replying to your letter of the 25th instant, inclosing a bill (H. R. 20338) "For the relief of the Stevens Institute of Technology, of Hoboken, New Jersey," and asking that the Committee on Claims be supplied with all information concerning the matter in this department, and an opinion touching the merits of the claim, I have the honor to inclose herewith a copy of a letter of the Commissioner of Internal Revenue, under date of February 5, 1906, which gives all information in this department relative to the subject-matter of this bill, together with what appear to be valid reasons why the bill should not become a law.

Bills for the relief of this institution were introduced in the Fifty-ninth and Sixtieth Congresses (S. 2086 and H. R. 11562) and reports from this department made thereon.

I see no reason to amend the views expressed as to the former bills as embodied in the inclosed copy of the letter from the Commissioner of Internal Revenue.

Respectfully,

CHARLES D. NORTON,
Acting Secretary.

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, February 5, 1906.

THE HONORABLE THE SECRETARY OF THE TREASURY.

SIR: I have the honor to return herewith Senate bill 2086, and letter accompanying same, which were referred to you by this office, and in response to said reference I make the following report:

The proposed bill authorizes and directs you to pay to the trustees of the Stevens Institute of Technology, of Hoboken, N. J., out of any money in the Treasury not otherwise appropriated, the sum of \$45,750, with interest accruing thereon since January 28, 1870, being the amount of collateral tax collected from an endowment fund left by the will of the founder of the said institution, Edwin A. Stevens.

The estate of said Stevens was assessed on the December list of this office, 1869, a tax of \$45,750 on a bequest made by him to the said institute. This tax was paid in January, 1870, by the trustees of the Stevens Institute. The assessment and collection of this money were made under the legacy tax act of the Congress approved July 1, 1862, as amended by the acts of June 30, 1864, and July 13, 1866.

No claim has ever been filed in this department for the refunding of this tax and none could have been, for, after careful search, I am unable to find that any act was ever passed by Congress authorizing the refund of this class of taxes collected under the act of July 1, 1862, and its amendments.

Under the act of June 13, 1898, commonly called the "Spanish war tax act," taxes upon the passing of estates were levied similar in many respects to the law of 1862.

On June 27, 1902, the Congress by an enactment authorized the Secretary of the Treasury to pay back to institutions similar to that of the Stevens Institute such sums of money as had been paid by them as taxes upon legacies received. This law covered the taxes paid since 1898 on funds received by religious, charitable, and educational institutions.

The civil war legacy tax act was repealed by the act of July 14, 1870, to take effect October 1 of that year, but the repealing act contained no provisions for the repayment of the tax collected on bequests passing to religious, literary, or educational institutions.

This pending bill for the relief of the Stevens Institute asks for the refund of \$45,750 with interest thereon since January 28, 1870. The interest, if calculated at 6 per cent, would now amount to \$98,820, which, added to the principal, brings the total amount to be paid by the Government under the provisions of the bill to \$144,570.

This office knows of no reason why the Stevens Institute should be relieved under special legislation from the provisions of the act of 1862. If this institution is entitled to this relief, why not then all other institutions of similar character which paid tax on similar legacies?

With regard to the payment of interest at the rate of 6 per cent, I will say that this is the interest paid upon sums illegally and unlawfully collected by the Government, and for the repayment of which judgment has been rendered against the Government.

The Government has had possession of this \$45,750 legally and rightfully since January, 1870, yet it is made to pay by the provisions of this bill interest at the rate as if the sum had been illegally exacted from the institution.

During a great portion of this period the Government has borrowed money at 4, 3, and 2 per cent.

If the bill should become a law it would be a precedent that could be properly followed by any and all other institutions similarly situated with regard to the payment of tax under the civil-war act.

Respectfully, yours,

JOHN W. YERKES, *Commissioner.*



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